



# **PSC NEWS**

## **Missouri Public Service Commission**

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Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 600

FY-06-109

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**FOR IMMEDIATE RELEASE**

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### **MISSOURI ELECTRIC RATES FOR HOMES, BUSINESSES AMONG LOWEST IN NATION**

JEFFERSON CITY -- Missouri's electrical rates for homes and businesses are among the lowest in the nation, making the state an increasingly better place to live and do business, according to a report released by the research arm of the Missouri Department of Economic Development.

Missouri had the eighth lowest for residential users and sixth lowest for commercial users of electricity as measured in cents per kilowatt-hour in 2004. The average residential rate in Missouri was 7.06 cents per kilowatt-hour and the commercial rate 5.86 cents per kilowatt-hour.

"Our state's low electrical costs are good news for Missouri families who have to devote less of their hard-earned dollars to pay for electricity," said Public Service Commission Chairman Jeff Davis. "The low cost and availability of a solid electrical generation and transmission system helps improve the quality of life for all Missourians and will help attract economic development opportunities and jobs."

The state's rates have also been going down relative to other states since 1997. In that year, Missouri's commercial electrical rates were the 15<sup>th</sup> lowest of all 50 states plus the District of Columbia and residential rates were the 19<sup>th</sup> lowest. Among its neighboring states, Missouri ranks third to Kentucky and Arkansas for the lowest commercial rate in cents per kilowatt-hour and fourth behind Kentucky, Tennessee and Nebraska for the lowest per kilowatt-hour residential rate.

Since 1997, Hawaii has been consistently the most expensive state for electricity costs while the coal-producing state of Kentucky and the hydroelectric-fueled states of Idaho and Washington have consistently been the lowest.

In a recent survey by Bank of America Business Capital, CFOs from the manufacturing sector were generally positive about revenue growth and profit margins for 2006, but about 80 percent cited energy costs among their most urgent financial concerns.

Earlier this year, the Milken Institute reported that the cost of doing business in Missouri was 13 percent below the national average index that is based on wage costs, tax burden, electricity costs and industrial and office rent costs.